

(c) and (d) The sugar mills are facing problem in making immediate payment of the cane price to the growers on account of excess production of sugarcane and sugar during the season 1999-2000, non availability of higher bank credit over the stocks held by them, heavy interest cost, heavy carry-over stock, etc. However, the mills are making efforts to make the payment to the growers to ease out difficulties of the farmers by way of export of sugar, additional bank credit through Government guarantees, payment of dues in instalments.

Central Government have taken following measures to improve the financial position of the sugar factories to enable them to make cane price dues of the farmers:-

- (i) Reduced the levy obligation of the sugar factories from 40% to 30% with effect from 01.01.2000.
- (ii) Restricted the inflow of imported sugar in the country by raising the custom duty to 60% with effect from 09.02.2000.
- (iii) Advance releases of freesale sugar are being made to needy sugar factories.
- (iv) Allowed export of 10 lakh tonnes of sugar.
- (v) Judicious releases of freesale sugar quotas in order to maintain reasonable level of sugar prices in the open market.

#### **Production of sugar in Karnataka**

3320. SHRI H.K.JAVARE GOWDA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) what is the total production of Sugar in Karnataka during current year;
- (b) the existing stock of sugar with Sugar Mills and State Government;
- (c) whether the Karnataka has asked the Central Government for lifting of sugar; and
- (d) if so, what action has been taken so far?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) and (b) As on 22-7-2000, the total production of sugar during the current 1999-2000 sugar season (October-September) in Karnataka is estimated at 14.93 lakh tonnes. Sugar stocks are held by the sugar mills and only as per the allotment order issued by the Central Government, the specified quantities are sold and delivered by the sugar mills. As on 22-7-2000, the stocks of sugar with Karnataka mills, as reported by them were 11.92 lakh tonnes.

(c) and (d) Some sugar mills in Karnataka had requested the Central Government for expeditious lifting of unlifted quantities of levy sugar allotted on them. The Central Government considered this request and released a compensatory quantity of 12,911.7 MTs for freesale and permitted the concerned sugar factories to sell it in the open market, while retaining their levy obligations. Some mills were also given advance releases of freesale sugar, subject to adjustment, as per the government guidelines in the matter.

**Proposal of Pakistan for a strategic restraint regime**

3321. SHRI SANTOSH BAGRODIA: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Government's attention has been drawn to the press by Pakistan Embassy in Washington on 15th June, 2000 that Pakistan had proposed to India a strategic restraint regime for avoidance of arms race — nuclear or conventional and confidence building in the region;

(b) if so, whether Pakistan was willing to consider any restraint arrangements on a reciprocal basis with India; and

(c) if so, what is the Government's reaction to such a press statement by Pakistan?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI AJIT KUMAR PANJA): (a) Yes, Sir.

(b) Pakistan has suggested that India and Pakistan adhere to a strategic restraint regime for avoidance of an arms race, nuclear and conventional, and confidence building in the region.....on a reciprocal basis.

(c) This proposal is not new and remains based on Pakistan's desire to seek parity with India; it has been put forward with propagandist intent. India has taken the lead in initiating discussions at the bilateral level on formalisation of restraint in the region including during PM's historic visit to Lahore in February, 1999. Unfortunately Pakistan's armed intrusion in Kargil and its repudiation of mutually agreed upon confidence-building measures and agreements, has set this process back. Pakistan needs to take necessary steps to restore trust to enable this process to resume.

**Fake passport racket busted by Bangalore Police**

3322. SHRI K. C. KONDAIAH: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether it has come to the notice of the Government that Bangalore City Police have recently busted the fake passport racket;